

## The Challenge

U.S. interests in Panama include strengthening regional security, combating international crime, and supporting democracy. Security of the Panama Canal remains a priority. The United States and Panama are committed to deepening their trade relationship. Panama is a crossroads for international commerce, but also a center for illegal activity such as drug trafficking, money laundering, trafficking in arms, and illegal immigration. Refugees and incursions by insurgents from Colombia's civil conflict pose additional challenges. USAID programs contribute to the smooth transit of world commerce through the Canal, trade competitiveness, transparency and accountability in government, a strengthened justice system, and a reduced potential for cross-border conflict. Private and public capital is leveraged to support policy reforms, best practices, community participation, and strengthening civil society organizations for advocacy and holding government accountable.

## Objectives, Sectors and Workforce

**Mission Director (Acting): Kermit Moh**

MCA Status: Not a Candidate

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

### Program Budget (Appropriations by Objective)

525-006 Rural Community Development  
525-021 Ruling Justly  
525-022 Economic Freedom

**Country Total**

FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
0	750	0	0	N/A	0.95	Met
1,000	2,226	990	0	N/A		0.39
5,622	5,125	4,335	3,180	-43.4%	1.39	Exceeded
<b>6,622</b>	<b>8,101</b>	<b>5,325</b>	<b>3,180</b>	<b>-52.0%</b>		<b>0.34</b>

### Program Budget (Appropriations by Account)

Development Assistance  
Economic Support Fund

**Total**

FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
5,622	5,125	4,335	3,180	-43.4%
1,000	2,976	990	0	N/A
<b>6,622</b>	<b>8,101</b>	<b>5,325</b>	<b>3,180</b>	<b>-52.0%</b>

### Program Budget by Sector and Account

Agriculture and Environment DA  
Economic Growth DA  
ESF  
Democracy and Governance ESF

**Total**

FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
5,122	4,279	4,137	3,180	-37.9%
500	846	198	0	N/A
0	750	0	0	N/A
1,000	2,226	990	0	N/A
<b>6,622</b>	<b>8,101</b>	<b>5,325</b>	<b>3,180</b>	<b>-52.0%</b>

### Workforce

US Direct Hires  
US Non Direct Hires  
Foreign Nationals

**Total**

FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
2	2	2	2	0.0%
2	3	3	0	N/A
22	26	26	17	-22.7%
<b>26</b>	<b>31</b>	<b>31</b>	<b>19</b>	<b>-26.9%</b>

### Operating Expense

Salaries and benefits  
Travel  
Transportation of things  
Rent  
Security  
Equipment  
ICASS - Operating Expense only  
Other Operating Expense  
**Total OE Budget**  
US direct hire salary and benefits  
Program Funded Administrative Expenses  
**Country Total Administrative Budget**  
**Percent of Bureau OE Total**

FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
463	471	401	287	-38.0%
71	70	62	46	-35.2%
17	32	23	4	-76.5%
121	93	112	112	-7.4%
9	11	12	15	66.7%
69	51	9	4	-94.2%
58	33	36	45	-22.4%
143	108	160	148	3.5%
<b>951</b>	<b>869</b>	<b>815</b>	<b>661</b>	<b>-30.5%</b>
298	176	275	305	2.3%
			1,628	
			2,594	
			1.6%	

<b>Mission Summary</b>	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	3,311	4,051	2,663	1,590
Program per All US (\$000)	1,656	1,620	1,065	1,590
Program per Position (\$000)	255	261	172	167
Operating Expense as % of Program Funding				20.8%
Program Funded Admin Expense as % of Total Admin				62.8%
Total Admin Expense as % of Program Funding				81.6%

**Other Major Donors:**

Bilateral: Spain and Japan.

Multilateral: Inter-American Development Bank (IDB), European Union (EU) and World Bank (IBRD).